Please check the examination details below before entering your candidate information

Candidate surname	Other names

Centre Number | Learner Registration Number

Pearson BTEC Level 3 Nationals Extended Certificate, Diploma, Extended Diploma

Time 1 hour 30 minutes

Paper reference **50234N**

Marketing

UNIT 2: Marketing Principles

You do not need any other materials.

Total Marks

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and learner registration number.
- Answer **all** questions.
- Answer the questions in the spaces provided – *there may be more space than you need.*

Information

- The total mark for this paper is 70.
- The marks for **each** question are shown in brackets – *use this as a guide as to how much time to spend on each question.*

Advice

- Read each question carefully before you start to answer it.
- Try to answer every question.
- Check your answers if you have time at the end.

Turn over ▶

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Some questions must be answered with a cross in a box ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

Answer ALL questions.

SECTION A

1 Which **one** of these is an example of a durable good?

- ☒ **A** Chocolate bar
- ☒ **B** Window cleaning
- ☒ **C** Washing machine
- ☒ **D** Ice cream

(Total for Question 1 = 1 mark)

2 Which **one** of these people uses a product that someone buys for them?

- ☒ **A** Employee
- ☒ **B** Shareholder
- ☒ **C** Stakeholder
- ☒ **D** Consumer

(Total for Question 2 = 1 mark)

Gift Click is an online retailer. It uses web analytics to create customer profiles that identify customers by the time of day they usually make a purchase.

3 Which **one** of these is a type of customer profiling?

- ☒ **A** Demographic
- ☒ **B** Behavioural
- ☒ **C** Psychographic
- ☒ **D** Geographic

(Total for Question 3 = 1 mark)

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Little Food Parcel is a charity supporting young people by providing free food parcels so they have enough to eat.

4 Which **one** of these is the most likely aim of *Little Food Parcel*?

- ☒ **A** To provide for basic needs
- ☒ **B** To forward profits to shareholders
- ☒ **C** To maximise profits
- ☒ **D** To increase revenues generated from selling food parcels

(Total for Question 4 = 1 mark)

5 Which **one** of these is an example of a psychographic target market segment?

- ☒ **A** Family profile
- ☒ **B** Personality characteristics
- ☒ **C** Spending characteristics
- ☒ **D** Age profile

(Total for Question 5 = 1 mark)

Invincible Cases produces mobile phone cases that are not damaged if they are dropped or if they get very wet. The business aims to gain loyal customers.

6 State **one** marketing objective that will help *Invincible Cases* gain loyal customers.

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(Total for Question 6 = 1 mark)

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GMA specialises in guerrilla marketing.

7 Give **two** examples of guerrilla marketing**.**

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2 .....

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(Total for Question 7 = 2 marks)

Dream Speed Drive offers customers the opportunity to drive its high-performance cars.
Dream Speed Drive currently uses one race track. It is planning to expand and use two new race tracks.

8 Identify **two** reasons why marketing is important to *Dream Speed Drive* when expanding.

1 .....

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2 .....

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(Total for Question 8 = 2 marks)

HPY Helmets produces cycle helmets with cartoon designs for children.

9 Explain **one** likely emotional benefit of a cycle helmet.

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(Total for Question 9 = 2 marks)

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Smart TV Centre is a television retailer. It has identified that most customers use limited decision-making processes when purchasing a new television.

10 Explain **two** ways that *Smart TV Centre* will adapt its marketing for people who use limited decision-making processes.

1 .....

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2 .....

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(Total for Question 10 = 4 marks)

Laptop Luxury Bags opened as a physical store in the city centre. With increasing costs it decided to close its store and to offer online digital sales instead.

11 Explain **two** advantages for *Laptop Luxury Bags* of operating digital sales.

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(Total for Question 11 = 6 marks)

TOTAL FOR SECTION A = 22 MARKS

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SECTION B

Drone Protect UK Ltd provides security services to detect, record and catch unauthorised drones. *Drone Protect UK Ltd* provides services to protect sports events and airports.

Figure 1 shows an increase in the number of incidents involving drones at UK airports between 2016 and 2018.

Incidents involving drones at UK airports 2016–2018

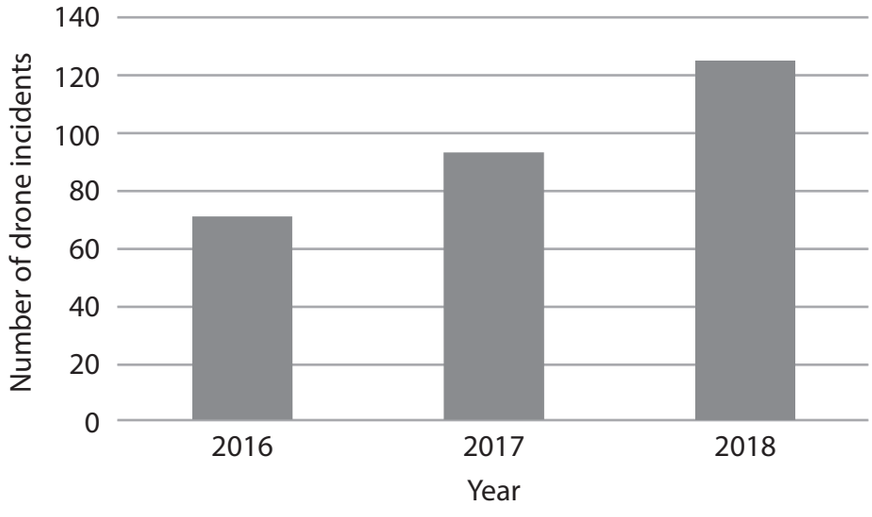

Figure 1

Drone Protect UK Ltd provides complete airspace security. Sensors detect drones up to three kilometres away. Video recording equipment records and tracks any drones. Software is used to block the drone's signal. A security drone is used to catch any unauthorised drone with a net.

The management at *Drone Protect UK Ltd* plans to research the use of drones. It has downloaded a company report for one of its competitors. *Drone Protect UK Ltd* is planning to interview airport managers.

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12 Which **one** of these describes the consumer buying process for the services offered by *Drone Protect UK Ltd?*

- ☒ **A** Impulse purchase
- ☒ **B** Routine purchase
- ☒ **C** Limited decision making
- ☒ **D** Extensive decision making

(Total for Question 12 = 1 mark)

13 Identify **one** intangible service offered by *Drone Protect UK Ltd*.

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(Total for Question 13 = 1 mark)

14 Give **two** sources of quantitative research data *Drone Protect UK Ltd* should use before setting marketing objectives.

1 .....

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2 .....

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(Total for Question 14 = 2 marks)

15 Give **two** examples of useful information that might be found in the competitor's company report.

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(Total for Question 15 = 2 marks)

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16 (a) Explain **one** advantage of conducting interviews with airport managers.

(2)

(b) Explain **one** disadvantage of conducting interviews with airport managers.

(2)

(Total for Question 16 = 4 marks)

17 Explain **two** reasons why *Drone Protect UK Ltd* needs to research its suppliers.

1

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(Total for Question 17 = 4 marks)

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Drone Protect UK Ltd is planning to run an event marketing activity at a major sporting event with a TV audience of millions. A drone will fly into the stadium and a security drone will then be used to catch the drone in a net. A number of drones will create a light display that will finish with the logo for *Drone Protect UK Ltd*.

18 Assess the impact of event marketing on *Drone Protect UK Ltd*.

(9)

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(Total for Question 18 = 9 marks)

TOTAL FOR SECTION B = 23 MARKS

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SECTION C

Katarina used to be a music agent who regularly booked music recording studios. It costs up to £100 per hour to use a studio. Musicians would take up to 300 hours to produce an album.

In 2015, Katarina set up *KRS Music*, a business selling music studio equipment to be used in the home. The first product launch was 'Full Home Studio'. Customers received a desktop computer, audio interface to connect the computer with all the other equipment, digital audio workstation, microphone with a stand, headphones, speakers, cables and software. However, customers often found it a difficult system to set up and *KRS Music* was spending a lot of money and time on customer service.

In 2019, *KRS Music* developed a device that could be plugged in. The device allows customers to record instantly. All the component parts above are built in to one device. The product was branded 'Plug and Play Recording Studio'.

The UK home recording studio market grew by 10% between 2014 and 2019. However, by 2019 the market share for *KRS Music*'s 'Full Home Studio' product was relatively low. The 'Plug and Play Recording Studio' had a high market share in 2019.

The Marketing Director has just agreed the marketing objective in Figure 2.

Marketing objective for *KRS Music*

'To launch the new premium Plug and Play device and record sales revenue of £300 000 by the end of the year 2022.'

Figure 2

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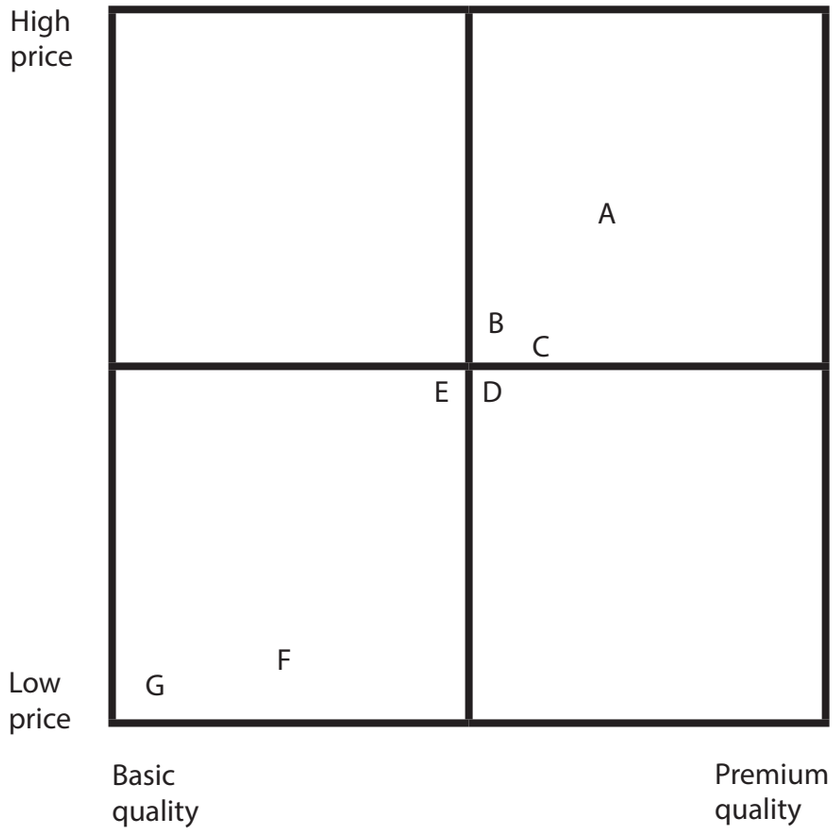
The Marketing Director has also just received the market map shown in Figure 3 and the results of a partial-PESTEL analysis shown in Figure 4.

Market map for home recording studios



A – Full Home Studio

B – Plug and Play Recording Studio

C, D, E, F, G – Competitor home recording studios

Figure 3

Partial PESTEL analysis

Political	Politicians are to investigate music streaming providers because musicians receive just 13% of the total income generated.
Economic	Unemployment has risen in the last year and it has risen fastest for people aged 18–25 years.
Social	The average amount of time spent on the internet is increasing, from three hours 10 minutes per day in 2018 to four hours in 2020.

Figure 4

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19 Which **one** of these features of a product is packaging?

- ☒ **A** Technology
- ☒ **B** Aesthetics
- ☒ **C** Design
- ☒ **D** Unique selling point

(Total for Question 19 = 1 mark)

20 State the market type in which *KRS Music* operates.

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(Total for Question 20 = 1 mark)

21 Identify **one** way the marketing objective in Figure 2 is time-bound.

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(Total for Question 21 = 1 mark)

22 Explain **one** action that should be taken given that the 'Plug and Play Recording Studio' product is classified as a 'star' within the Boston Matrix.

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(Total for Question 22 = 2 marks)

23 (a) Explain **one** benefit for *KRS Music* of producing the market map in Figure 3.

(2)

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(b) Discuss the advantages and disadvantages of conducting a PESTEL analysis.

(6)

(Total for Question 23 = 8 marks)

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KRS Music wants to improve sales revenue and profits. It is considering one of these two options for the new product:

Option 1: to develop a new, premium-quality product

Option 2: to further develop and innovate the existing 'Full Home Studio' product.

24 Evaluate the **two** product options being considered by *KRS Music*.

(12)

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(Total for Question 24 = 12 marks)

TOTAL FOR SECTION C = 25 MARKS
TOTAL FOR PAPER = 70 MARKS

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